Ministry of
Natural Gas Development
and Minister Responsible for Housing

2014/15
Annual Service Plan Report

BRITISH
COLUMBIA

For more information on the British Columbia Ministry of Natural Gas Development and Minister Responsible for Housing contact:

Deputy Minister's Office
PO BOX 9319
STN PROV GOVT
VICTORIA, BC
V8W 9N3

or visit the Ministry website at
http://www.gov.bc.ca/mngd/index.html

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Minister's Message and Accountability Statement

British Columbia is working towards a generational economic opportunity by pursuing a liquefied natural gas (LNG) industry. Guided by British Columbia's strategies for natural gas and LNG, released in February 2012, the Ministry of Natural Gas Development is striving to realize the province's full potential. In October 2014, the Ministry hosted another successful international LNG conference in Vancouver titled, "Powering a Strong Economy: British Columbia's LNG in the Global Marketplace". In November 2014, as part of an overall competitive fiscal and policy framework for LNG, Government released its comprehensive tax for the LNG industry.

The Ministry continued to enhance the competitiveness of B.C.'s massive shale resource with royalty and infrastructure credit programs that recognize the specific challenges of developing unconventional gas in the province. This will maximize the amount of B.C. gas flowing to LNG facilities. Direct government revenue from oil and natural gas is estimated at $1.4737 billion for 2014/15, and the disposition of Crown subsurface natural gas and oil rights accumulated approximately $770 million. In addition, the Province received an estimated $638.7 million in natural gas and oil royalties. These revenues support vital public services to British Columbians such has health care and education.

Launched in October 2014, the Homeless Prevention Program is a new initiative aimed at providing people at risk of homelessness with rent supplements to help them access rental housing in the private market. The program assists youth transitioning out of care, women who have experienced violence or are at risk of violence, people leaving the correctional and hospital system, and Aboriginal people.

As one of the first steps in fulfilling government's commitment to transform services to landlords and tenants, a new Residential Tenancy website was launched in September 2014. This offers landlords and tenants easy access to clear, accurate, streamlined information. In February 2015, after many years of consultation, the Province introduced a new Building Act - the first provincial act devoted solely to building and construction - setting a framework for greater consistency, competency and innovation in B.C.'s building construction sector. The following month, the B.C. government announced an enhanced licensing system for residential builders. This will lead to higher professional standards in the residential construction sector and help protect new homebuyers.

The Ministry of Natural Gas and Minister Responsble for Housing 2014/15 Annual Service Plan Report compares the Ministry's actual results to the expected results identified in the 2014/15 - 2016/17 Service Plan. I am accountable for those results as reported.

Honourable Rich Coleman
Minister of Natural Gas Development and Minister Responsible for Housing
June 25, 2015

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Purpose of the Ministry

The Ministry of Natural Gas Development and Minister Responsible for Housing guides the responsible development of the province's natural gas and oil resources and its next new major industrial sector—liquefied natural gas (LNG). The Ministry also ensures that British Columbians have access to safe, affordable and appropriate housing through policy and programs, technical codes and standards, and services for landlords and tenants. Through teamwork and positive working relationships with its clients, the Ministry facilitates B.C.'s thriving, safe, environmentally responsible and competitive natural gas sector to create jobs and economic growth. In developing natural gas policies, legislation and guidelines, the Ministry consults with other ministries and levels of government, natural gas and oil production and transportation companies, First Nations, communities, environmental and industry organizations, and the public.

With regard to housing, the Ministry's stakeholders are the citizens of British Columbia and their representatives at all levels of government, First Nations, community groups, non-profit societies, schools, service organizations, businesses and industry associations. Key to the Ministry's success is its ability to maintain strong, collaborative relationships with stakeholders, partner agencies and other levels of government. The Ministry is responsible for two Crown Corporations, the British Columbia Housing Management Commission (BC Housing) and the Oil and Gas Commission.

Strategic Direction and Context

Strategic Direction

Minister Coleman's Mandate Letter from Premier Christy Clark, dated June 10, 2013, included a number of key deliverables relating to LNG projects and their use of clean power, pipelines and pipeline corridors, home inspections and supportive housing projects. This letter may be found at the following link: (Insert hyperlink). The Ministry supports the direction in the Taxpayer Accountability Principles to reinvigorate the Government's commitment to an accountable and cost consciousness culture. The Ministry annually assesses the external risks and opportunities within the context described below as part of its strategic planning process.

Strategic Context

During 2014/15, the Ministry focused on the initiatives outlined in British Columbia's LNG Strategy and its accompanying Natural Gas Strategy, released in February 2012: http://www.gov.bc.ca/ener/natural_gas_strategy.html B.C.'s estimated natural gas resources are substantial. Production levels of marketable natural gas remained relatively unchanged in the B.C. portion of the Western Canadian Sedimentary Basin during 2014/15. Marketable natural gas production in B.C. was an estimated 42 billion cubic metres in 2014/15. Over the past year, the province made significant progress in establishing a competitive fiscal and policy framework in support of its emerging role as a stable supplier of LNG to growing Asia-Pacific markets. About 102,563 households throughout B.C. are estimated to have received subsidized housing assistance in 2014/15. This accounts for approximately six per cent of all housing in the province and includes 29,584 low-income households receiving rental assistance in the private market. The Ministry continued to work with local government and other key stakeholders to develop initiatives to increase the supply of affordable housing. The Ministry also focused on effective strata regulation and self-governance as stratas make up more than half of new residential construction.

Report on Performance

Minister Coleman's June 10, 2013 Mandate Letter contained direction from the Premier to meet eight policy objectives relating to the Ministry's budget, final investment decisions for LNG projects in B.C., clean power use for LNG projects, pipeline corridors, heavy oil pipelines, Oil and Gas Commission (OGC) operations, home inspections and supportive housing projects. Appendix C provides a report on how each of these objectives was met.

The Ministry's 2014/15 goals supported the Taxpayer Principles by focusing on outcomes for citizens and effective communication. During 2014/15, Minister Coleman and the Deputy Minister met regularly with the OGC's Chair and the Commissioner to discuss Ministry objectives and the OGC's strategic priorities. Similar meetings occurred with the BC Housing Management Commission. The Ministry approved implementation plans for the Taxpayer Accountability Principles with BC Housing and the OGC, and will develop performance measures for the 2015/16 fiscal year.

Goals, Objectives, Strategies and Performance Results

The Ministry's Goals directly supported the *BC Jobs Plan*, the Minister's June 10, 2013 Mandate Letter and Government's strategic priorities with Goals one through five focusing on job creation and economic growth and Goals six through eight supporting the strategic priority of a secure tomorrow.

Goal 1: **A globally competitive Liquefied Natural Gas export industry in B.C. that supports a prosperous economy and benefits all British Columbians.**

Objective 1.1: **B.C. is a competitive jurisdiction for LNG investment.**

Strategies

- Work with the Ministry of Finance to develop an LNG tax regime that ensures a fair share of the LNG opportunity for British Columbians while ensuring B.C. is a competitive location for the LNG industry compared to competing jurisdictions.
- Continue to work with the Oil and Gas Commission, permitting agencies and the Environmental Assessment office to ensure streamlined regulatory and permitting processes, and efficient and integrated federal/provincial environmental assessment processes.
- Continue to monitor and adapt British Columbia's natural gas regulatory framework to ensure it is competitive and that British Columbia's natural gas feeds the new LNG export projects.
- Work with proponents to confirm Final Investment Decisions have been reached for at least three LNG projects and their associated pipelines in support of having these projects in-service by 2020.
- Support the Ministry of Forests, Lands and Natural Resource Operations in the management of Crown land disposition processes to support expanding LNG interests in specific sites for LNG development.

- Support the development of pipelines, roads and electricity infrastructure required for new LNG facilities, including the development of industrial land use plans for the Douglas Channel, Kitimat and Prince Rupert areas.
- Work closely with the Ministry of Jobs, Tourism and Skills Training to develop and implement programs that address skills gaps and meet the labour needs of the LNG and natural gas sectors.
- Engage the federal government on key cross jurisdictional issues to ensure a coordinated approach to: regulation and authorization of LNG facilities on federal lands (Prince Rupert Port); GHG emissions; environmental assessments; First Nations engagement and benefits; marine traffic and safety; pipeline safety; infrastructure investment; and workforce strategy and labour market investment.

Objective 1.2: The Ministry, citizens, communities, First Nations and industry are engaged and working cooperatively to support environmentally and socially responsible LNG development in B.C.

Strategies

- Work with the Ministry of Aboriginal Relations and Reconciliation to develop and implement policies that result in First Nations' meaningful involvement in and benefit from LNG development.
- Work with the Ministry of Aboriginal Relations and Reconciliation to develop specific First Nations negotiation mandates along the pipeline corridors, LNG plant locations and marine traffic routes.
- Work with BC Hydro to ensure an adequate supply of clean electricity is available from the grid to support new investments in LNG, and in upstream natural gas and oil exploration and development.
- Work with industry to encourage the use of clean energy sources to power LNG facilities.
- Build relationships and work collaboratively with key communities and stakeholders to prepare for the emerging economic and social opportunities created by a new LNG industry.
- Work with the Climate Action Secretariat and LNG proponents to develop and implement GHG policies for the LNG sector that establish global leadership on GHG emissions, provide certainty to industry on costs, inform the environmental assessment process and incent greater use of clean energy.
- Work with the Ministry of Environment and LNG proponents to develop air emission standards and interim air quality objectives that protect human health, are consistent with leading jurisdictions and demonstrate Government's commitment to clean LNG facilities.
- Work with First Nations, communities and the Federal Government to ensure best practices are in place to guide marine traffic and the safe shipment of LNG to export markets.
- Work with proponents, First Nations and communities to provide guidance to the Environmental Assessment and permitting processes to determine the most environmentally responsible routes for LNG pipelines.

Performance Measure 1: LNG Power Supply Agreements.

Performance Measure	2012/2013 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
New power supply agreements reached with proponents focused on energy needs for LNG compression and/or ancillary power requirements	N/A	0	1	2	1	1

Data Source: Ministry of Natural Gas Development. Internal tracking documents.

Discussion

LNG liquefaction facilities require large amounts of energy both for compression and for ancillary purposes. This energy will usually come from grid power or self-generated power (using natural gas turbines) or a combination of both. Accordingly, electricity supply and grid interconnection agreements must be in place before final investment decisions (FIDs) can be made. The number of power supply agreements for LNG facilities reached is a key measure of provincial progress towards the establishment of a thriving, competitive LNG industry that is environmentally and socially responsible. The Ministry exceeded its target in 2014/2015 and expects to conclude one electricity supply and grid interconnection agreement in each of 2015/16 and 2016/17.

Goal 2: A competitive upstream natural gas sector[1] that creates jobs, revenue and economic growth.

Objective 2.1: B.C.'s upstream sector is attractive for investment and B.C.'s natural gas is the input of choice for LNG development.

Strategies

- Continuously improve geological and resource assessments for natural gas and oil, through collaboration with industry, industry associations, and academic and research institutes.
- Continue to develop a coordinated, transparent permitting and approval process with clear timelines for natural gas and oil resource development projects.
- Continue to monitor and adapt British Columbia's natural gas and oil fiscal and regulatory frameworks to ensure they are competitive and British Columbia's natural gas is used to supply the new LNG industry.
- Continue to support the development of upstream infrastructure.
- Improve the competitiveness of B.C.'s upstream sector by providing leadership, information and new policies, regulations and programs.

[1] The upstream sector includes searching for potential underground natural gas and oil, disposition of the rights to develop the underground resource, drilling of exploratory wells, and subsequently drilling and operating the producing wells.

- Modernize tenure legislation for Crown natural gas and oil resources.
- Conduct regional studies and resource assessments to enhance understanding of the geological framework that hosts B.C.'s natural gas and oil resources, improve the province's resource estimates, and encourage exploration.

Objective 2.2: Optimal revenue from the development of B.C.'s upstream natural gas and oil resources.[2]

Strategies

- Continue to hold monthly Crown natural gas and oil rights sales.
- Optimize royalty programs to create a competitive environment while generating revenues to the Crown.
- Maximize the amount of B.C.'s natural gas that feeds the LNG export plants to ensure B.C. receives full value for its natural gas resource.

Performance Measure 2: Annual investment in natural gas and oil exploration and development.

Performance Measure	2012/2013 Actual	2013/14 Actual	2014/15 Target[2]	2014/15 Estimate*	2015/16 Target	2016/17 Target
Annual investment in natural gas and oil exploration and development [1]	$5.2 billion	$5.5 billion	$6.3 billion	$7.0 billion*	$6.2 billion	$6.5 billion

Data Source: Canadian Association of Petroleum Producers (CAPP) data provided by calendar year.

*Figure for 2014/15 is an estimate based on preliminary data. Final 2014 figures will not be available until late 2015.

Discussion

Through its strategies to improve B.C.'s competitiveness, the Ministry strives to attract long term investment in B.C.'s natural gas and oil sector and related service industries. Such investment creates jobs and business opportunities throughout the province, which in turn contribute to the stability and well-being of B.C. communities. Upstream investment can be expected to increase further once LNG exports begin. A key challenge to achieving investment targets is that the markets for natural gas and oil commodities can be cyclical, as can the levels of investment in the sector. Financial markets and currency fluctuations also affect investment levels. Streamlined processes for natural gas and oil project permitting and environmental assessment, along with the timely review of tenure applications, help to reduce risk and sustain investment levels.

The 2014/15 estimate for Performance Measure 2 was $7.0 billion. Investment increased beyond expectations primarily due to activity in B.C.'s Montney region as producers continue to develop the

[2] Optimal revenue is defined as the fairest and best return that can be collected by the Crown for the use of publicly owned resources under prevailing economic, environmental and social conditions.

liquids rich portion of this resource play and actively worked to prove reserves required to supply proposed liquefied natural gas facilities. While investment in British Columbia's natural gas sector had a relatively strong year, industry activity levels were reduced as a result of a commodity price decline that began in the second quarter and accelerated through the balance of the fiscal year.

Performance Measure 3: Direct government revenue derived from natural gas and oil.

Performance Measure	2012/2013 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Direct government revenue from natural gas and oil	$1.129 billion	$1.329 billion	$1.342 billion	$1.410 billion*	$1.337 billion	$1.293 billion

Data Source: Ministry of Finance. Revenue includes natural gas and oil royalties, land sales and lease rentals.

* Includes estimated royalty revenues for February and March of 2015.

Discussion

Revenue derived from natural gas and oil operations and tenure dispositions contributes to government programs such as education and social services. This measure shows the natural gas and oil revenues collected from industry and paid into the Province's Consolidated Revenue Fund, based on data provided by Ministry program staff. Revenue from natural gas and oil includes royalty revenue and land sale revenue. B.C.'s natural gas and oil producers are subject to demand and price fluctuations in world commodity markets where their products are sold. The Ministry implements resource revenue collection mechanisms, such as natural gas and oil royalties, that are market-based to share the market and investment risk, and manage resource development. As a result, government revenues are also subject to market fluctuations and financial conditions. The revenue target was exceeded primarily as a result of high natural gas prices during the first two quarters of the fiscal year. Extremely cold weather in early 2014 led to a spike in North American natural gas prices and consequently in provincial royalty revenues. By the end of the second quarter of the fiscal year commodity prices moderated and then began a decline that persisted until the end of the fiscal.

Objective 2.3: Responsible upstream natural gas and oil development.

Strategies

- Continue collaboration with other government agencies to study the effects of natural gas and oil development on environmental and social values.
- Complete the Carbon Capture and Storage regulatory framework and work with industry to identify zones for carbon dioxide sequestration projects and opportunities for carbon dioxide use in enhanced oil recovery.
- Continue to support the replacement of diesel fuel with cleaner natural gas to power natural gas and oil drilling rigs.

- Continue working with the BC Oil and Gas Commission to develop a regulation under the *Oil and Gas Activities Act* to ensure that the use of hydraulic fracturing in natural gas and oil extraction meets the highest standards in the world.
- In consultation with other ministries and stakeholders, develop and implement new acts, regulations and programs that support the responsible development and use of natural gas and oil resources.
- Continue to work with the federal government to develop a single, effective environmental review process, maintaining the highest standards while eliminating costly and time-consuming duplication.
- Provide the government services needed to respond to increasing economic activity, in particular delivering sound, timely decisions on natural gas and oil, LNG, and related water, Crown land and other permits, authorizations and tenures.

Objective 2.4: Engaged stakeholders, communities and First Nations working collaboratively in Northeast B.C.

Strategies

- Work with local/municipal governments to facilitate effective engagement regarding upstream development activities within Northeast B.C.
- Foster working relationships among industry, the public, First Nations and landowners by clarifying and simplifying natural gas and oil resource exploration and development management processes, enhancing dispute resolution methods, and offering more support and information.
- Continue to collaborate with other ministries, agencies and Crown corporations to provide information to promote greater public understanding of the exploration and development of natural gas and oil resources.
- Support the development and continuous improvement of Strategic Engagement Agreements, other consultation agreements, and Revenue Sharing Agreements with First Nations.
- Continue to work collaboratively with the Ministry of Aboriginal Relations and Reconciliation to build effective business development relations with First Nations.
- Develop and lead public engagement initiatives related to oil and natural gas development.

Goal 3: Increased responsible export of energy resources and new markets opened for B.C.

Objective 3.1: A common oil and gas vision for B.C. and Alberta related to exports and opening new markets.

Strategies

- Establish a governance model for B.C./Alberta dialogue.

- Act as the main government liaison with Alberta on the B.C./Alberta Deputy Ministers Working Group as identified by the Premiers on July 26, 2013.
- Develop recommendations and action plans that benefit B.C.
- Support the Major Investment Office in discussions with potential energy project investors.

Goal 4: Heavy oil pipelines and related infrastructure projects benefit British Columbians.

Objective 4.1: B.C.'s "five requirements" for heavy oil pipelines and related infrastructure are addressed.[3]

Strategies

- Work collaboratively with other provincial and federal government agencies to clearly and substantially define the "five requirements" and the roles that each agency will play.

Objective 4.2: A coordinated, consistent, and timely approach to proposed pipeline projects.

Strategies

- Act as the government's single point of contact on proposed interprovincial oil transmission pipelines to B.C.'s coast.
- Act as the key liaison with oil transmission pipeline proponents.

Objective 4.3: B.C.'s interests in oil and gas at provincial, interprovincial and federal National Energy Board (NEB) hearings and negotiations are represented.

Strategies

- Continue to lead the B.C.'s Oil and Gas Major Projects Team which serves as a forum for ensuring timely access to government officials; sharing information amongst ministries and agencies; and coordinating provincial reviews of NEB-regulated projects.
- Support the B.C. Environmental Assessment Office in the NEB process related to the proposed Enbridge Northern Gateway and Kinder Morgan Canada Trans Mountain Pipeline projects.

[3] The "five requirements" are contained in the Province's policy paper "Requirements for B.C. to Consider Support for Heavy Oil Pipelines".

Goal 5: B.C.'s potential to develop a value added natural gas industry[4] is determined.

Objective 5.1: Continued collaborative work with provincial agencies.

Strategies

- Continue to work with the Major Investments Office and the Ministry of Jobs, Tourism and Skills Training, to explore and develop B.C.-based opportunities for value added natural gas developments.
- Continue to work closely with the BC Oil and Gas Commission on value added projects.

Goal 6: Healthy buildings, strong communities.

Objective 6.1: Clear, effective and balanced building and safety standards.

Strategies

- Continue to engage stakeholders in the development, application and interpretation of codes.
- Work with the BC Safety Authority to continuously improve technical product safety, and support technical innovation through timely adoption of safety codes and standards.

Objective 6.2: A clear, effective and balanced governance framework for buildings and technical equipment.

Strategies

- Establish provincial leadership in a modern, streamlined and efficient building regulatory system with uniform application of codes as a key element.
- Establish mandatory qualifications for individuals who work as local government building officials, administering and enforcing provincial building codes.

Objective 6.3: The condition of social housing stock is improved.

Strategies

- Through BC Housing, conduct building condition assessments of public and non-profit owned housing stock to establish capital expenditure requirements to maintain or improve facility conditions.

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[4] 'Value added' refers to the additional value created by recovering heavier hydrocarbons (ethane, propane, butane, etc.) or using natural gas to develop other products that attract high market value (i.e. methanol, gas-to-liquids, etc.)

Objective 6.4: Low to moderate income households in private rental accommodation are supported by expanded rental assistance programs.

Strategies

- Review current rental assistance programs to ensure low income families and seniors are adequately supported.
- Undertake research, policy reviews, and consultations to expand rental assistance programs to meet emerging needs.

Goal 7: A stable regulatory environment for housing that increases citizen confidence.

Objective 7.1: Streamlined dispute resolution services that address strata owners', landlords' and tenants' expectations for timely, affordable and efficient access to services to help prevent and resolve disputes and support consumer confidence.

Strategies

- Modernize Residential Tenancy Branch services to make it easier for tenants and landlords to access services and rely less on formal arbitration, including:
  - improved web-based information available 24/7,
  - streamlined business processes to reduce wait time for inquiries and improved quality and accuracy of information provided; and
  - increased service options to support dispute prevention and early resolution.
- Implement an accessible, cost effective dispute resolution system for strata property owners.

Performance Measure 4: Residential tenancy dispute resolution requests.

Performance Measure	2012/2013 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target[2]	2016/17 Target
Number of residential tenancy dispute resolution requests per 1,000 British Columbia adult population (over age 19)[1]	6.0	5.7	6.0	6.0	5.9	5.8

Data Source: Results are calculated using data from the Residential Tenancy Branch (RTB) and BCStats provincial population estimates and projections by 5-year age groups. BCStats population projections are a forecast of future population growth. Population estimates and projections are released by BCStats on an annual basis, are typically prepared in April and reflect population estimates and projections as of July 1st.

[1] The measure includes only those British Columbians over age 19 because of the age groupings used by BCStats.

[2] The targets for 2015/16 and 2015/17 have been updated to those used in the 2015/16-2017/18 Service Plan.

Discussion

Modernizing and streamlining Residential Tenancy Branch services continues to make it easier for tenants and landlords to access services. Significant improvements were made in 2014/15 to the Residential Tenancy Branch's web-based information and to business processes within the contact centre. The launch of a new updated website made it easier for tenants and landlords to find information on residential tenancies and improved the quality and accuracy of that information. Service improvements and re-organization of the Residential Tenancy Branch contact centre increased the number of calls that could be responded to each day and decreased telephone wait times. These improvements support the prevention and early resolution of disputes between landlords and tenants.

This measure reflects the number of applications received by the Residential Tenancy Branch for formal dispute resolution services. It is intended to measure whether service improvements and access to information and resources support landlords and tenants to avoid or resolve disputes informally. The goal is to reduce the number of applications to the Residential Tenancy Branch for dispute resolution over time. In 2014/15, there were 6.0 residential tenancy dispute resolution requests per 1,000 B.C. adults, achieving the target of 6.0.

Objective 7.2: Homeowners are protected through the strengthening of home inspector licensing.

Strategies

- Consult with industry and the public and make recommendations to improve consumer protection through stronger home inspector licensing.

Goal 8: Committed partnerships with stakeholders that create greater housing options.

Objective 8.1: Partners have increased capacity to deliver and build the kind of housing British Columbians want and need.

Strategies

- Build greater capacity through programs, resources and education within the non-profit and private sector, and local governments to increase the number of affordable housing units, both market and social housing.
- Work collaboratively with other ministries, agencies and Crown corporations to ensure the coordinated delivery of housing programs and services for vulnerable British Columbians.

Performance Measure 5: Priority groups in subsidized housing.

Performance Measure	2012/2013 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percentage of clients belonging to priority groups in subsidized housing	89	90	85 or higher	92	85 or higher	85 or higher

Data Source: The measure is calculated by taking the current inventory of subsidized housing and determining the percentage of units that are available for each of the designated priority groups.

Discussion

This measure is an indicator of performance in ensuring that those in greatest need receive priority assistance for housing. For the purposes of the measure, the groups considered to be among those in greatest housing need include: low income or frail seniors; people with physical or mental disabilities; people with mental illness; women and children who have experienced domestic violence; individuals facing alcohol and drug addiction challenges; Aboriginal individuals and families; and people who are homeless or at risk of homelessness.[5] The targets are set to reflect the number of social housing households that fall into one of the designated priority groups, as well as the anticipated number of new and acquired housing units, all of which are targeted to priority groups, during the service plan period. The Ministry exceeded the 2014/15 target.

Objective 8.2: Partnerships that increase availability of housing options for low to moderate income households.

Strategies

- Increase the supply of affordable market rental and home ownership units by working with local governments, the non-profit housing sector, and developers to address local housing challenges and improve the economic viability in the development of affordable units.
- Support the one million strata owners and residents in B.C. with an improved strata governance system, including financial accountability, new dispute resolution mechanisms and prudent management of common assets.
- Continue to work collaboratively with other ministries, agencies and stakeholders to identify and resolve emerging strata issues and provide educational materials to strata owners, strata councils, strata property managers and developers.

[5] A more detailed discussion of the methodology for this performance measure is included in the BC Housing Service Plan 2014/15 – 2016/17.

Financial Report Summary Table

	2014/15 Estimated	Other Authorizations[1]	Total Estimated	Actual	Variance[4]
Operating Expenses ($000)					
Upstream Development[3]	**12,482**	**0**	**12,482**	**8,564**	**(3,918)**
Liquefied Natural Gas[3]	**3,972**	**1,339**	**5,311**	**7,716**	**2,405**
Oil and Strategic Initiatives	**1,012**	**0**	**1,012**	**1,222**	**210**
Executive and Support Servies[3]	**2,783**	**0**	**2,783**	**4,086**	**1,303**
Housing	**368,691**	**888**	**369,579**	**369,579**	**0**
Housing Endowment Fund	**12,000**	**0**	**12,000**	**12,000**	**0**
Sub-Total	400,940	2,227	403,167	403,167	**0**
MinistryAdjustment of Prior Year Accural[2]	**0**	**0**	**0**	**(73)**	**(73)**
Total	400,940	2,227	403,167	403,094	(73)
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Housing	**39,244**	**0**	**39,244**	**34,894**	**(4,350)**
Total	39,244	0	39,244	34,894	(4,350)
Capital Plan ($000)[2]					
Executive and Support Services.	**2,766**	**13,000**	**15,766**	**15,766**	**0**
Total	2,766	13,000	15,766	15,766	0
Other Financing Transactions ($000)					
Oil and Gas Commission Receipts	**(27,241)**	**0**	**(27,241)**	**(33,538)**	**(6,297)**
Oil and Gas Commission Disbursements	**27,241**	**0**	**27,241**	**33,538**	**6,297**
Net Cash Source (Requirements)	**0**	**0**	**0**	**0**	**0**
Total Receipts	(27,241)	0	(27,241)	(33,538)	(6,297)
Total Disbursements	27,241	0	27,241	33,538	6,297
Total Net Cash Source (Requirements)	0	0	0	0	0

[1] "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the Balanced Budget and Ministerial Accountability Act for ministerial accountability for operating expenses under the Act.

[2] The Adjustment of Prior Year Accrual of $0.073 million is a reversal of accruals in the previous year.

[3] The ministry expected underspending in Upstream Development for SYD road amortization savings in Fiscal 14/15 and planned to use the savings to support LNG initiatives including legal costs which are funded in Executive & Support Services.

[4] "Variance" represents "Actual" minus "Total Estimated". If the Actual is greater than the Total Estimated, the Variance will be displayed as a positive number.

Appendix A: Contact Information and Hyperlinks

Ministry Contact Information

Deputy Minister's Office
Eighth Floor, 1810 Blanshard Street
PO Box 9319 Stn Prov Govt
Victoria, B.C. V8W 9N3
Website: http://www.gov.bc.ca/mngd/

Appendix B: List of Crowns, Agencies, Boards and Commissions

The Ministry is responsible for the following agencies, boards and commissions:

BC Housing Management Commission
Provincial Rental Housing Corporation
Oil and Gas Commission
Building Code Appeal Board
Safety Standards Appeal Board
Surface Rights Board
Homeowner Protection Office
Safety Authority of BC

Appendix C: Report on Minister Coleman's June 10, 2013 Mandate Letter from the Premier.

In the Premier's annual Mandate Letter to the Minister dated 10 June 2013, the Minister of Natural Gas Development and Minister Responsible for Housing received direction on strategic priorities for the 2014/15 fiscal year. These priorities and the ministry's resulting actions are summarized below:

Mandate Letter Direction	Ministry's Action to June 2014 *
1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the Province of British Columbia.	Budget was balanced.
2. Work with project proponents to complete negotiations and accelerate final investment decisions on B.C. LNG projects.	The LNG tax framework was announced during the introduction of the February 2014 Budget. Work continued on the fiscal and policy frameworks to provide cost certainty for LNG proponents to advance to their Final Investment Decisions. Work continued towards finalization of Project Development Agreements with selected LNG proponents to address cost certainty across a range of fiscal and policy areas.
3. Maximize the use of clean power in LNG projects while preserving maximum provincial revenue generation opportunities	Negotiations for clean energy supply continued with selected proponents for both full electricity supply, including liquefaction and ancillary, and with others only for their ancillary load requirements.
4. Secure pipeline corridors with First Nations along proposed natural gas pipeline routes	As of June 9, 2014, Framework Agreements were entered into with 21 First Nations related to new proposed natural gas pipelines. Benefit Sharing negotiations had commenced with First Nations under those Framework Agreements.
5. Work with heavy oil and refinery proponents in order to ensure clarity on provincial expectations with respect to the five requirements in order for BC to consider supporting heavy oil pipelines or projects in our province.	A Working Group was established with Alberta. The final report was submitted to the Premier and released publicly on January 27, 2014. BC and Alberta agreed to a work plan for the next 6-12 months.

6. Review the operations of the BC Oil and Gas Commission and propose changes to improve the timeliness of permitting for project applications.	The BC Oil and Gas Commission implemented a Business Transition Strategy (BTS) aimed at improving systems for permitting and other processes across the organization. Improvements to the Permitting and Authorizations elements commenced.
7. Work with the BC Association of Building Inspectors to determine and implement a new home inspector accreditation to ensure consumers buying a home can be assured that their inspector is qualified and trained to help them purchase the largest investment in their lives.	Recommendations for improvement were approved by the Minister in March 2014 and were presented to the Cabinet Committee on Secure Tomorrow mid-2014. The Ministry worked closely with the Ministry of Justice, which is responsible for the Home Inspector Licensing Regulation.
8. Successfully implement the 14 project partnership with the City of Vancouver to build 1,500 new apartments of supportive housing.	Construction has been completed on ten projects.

* Minister Coleman received a new mandate Letter from the Premier on June 10, 2014.